

Example:

A fully discrete \$19,700 whole life policy with 20 annual benefit premiums is issued to (x) . A premium refund feature is in effect during the premium payment period which provides that one half of the last premium paid to the insurer is to be refunded as an extra death benefit.

Find the annual benefit premium, given:

$$A_x = 0.4 \quad \ddot{a}_{x:\overline{20}|} = 10$$

$$\ddot{a}_{x:\overline{21}|} = 10.2 \quad \ddot{a}_x = 12.$$